

## Message Text

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ORIGIN EB-08

INFO OCT-01 AS-01 AF-08 ISO-00 TRSE-00 AGRE-00 XMB-02  
DODE-00 AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00  
USIA-06 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01  
EUR-12 EA-07 L-03 STR-04 /079 R

DRAFTED BY EB/IFD/OMA: B G CROWE  
APPROVED BY EB/IFD/OMA: R J RYAN  
TREAS: R FEINBERG  
AF/C: R KATES  
ASCS-FI (USDA): T BURKE  
EXIMBANK: J LENTZ (INFO)  
DSAA/TC (DOD): R HAMMOND (INFO)  
AID/AFR: M WISEMAN (INFO)  
-----021201Z 018674 /14  
R 020007Z PEB 77  
FM SECSTATE WASHDC  
TO AMEMBASSY KINSHASA

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E.O. 11652: GDS

TAGS: EFIN, EGEN, CG

SUBJECT: ZAIRE DEBT RESCHEDULING

REF: KINSHASA 0789

1. PARAGRAPH 1, ARTICLE IV, OF PROPOSED USG-GOZ BILATERAL  
RESCHEDULING AGREEMENT IS INTENDED TO BE CONSISTENT WITH  
LANGUAGE OF PARIS CLUB UNDERSTANDING WHICH STATES:

"THE GOVERNMENT OF THE REPUBLIC OF ZAIRE WILL ACCORD EACH  
OF THE PARTICIPATING COUNTRIES TREATMENT NOT LESS FAVORABLE  
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THAN THAT WHICH IT MAY ACCORD TO ANY OTHER COUNTRY FOR THE  
CONSOLIDATION OF DEBTS OF A COMPARABLE TERM."

2. THIS OR SIMILAR LANGUAGE SETS FORTH THE "MOST FAVORED  
NATION" CONCEPT (MFN) WHICH IS STANDARD FOR BOTH CREDITOR  
CLUB UNDERSTANDINGS AND THE BILATERAL IMPLEMENTING AGREE-

MENTS MADE BY CREDITOR GOVERNMENTS. ITS PURPOSE IS TO INSURE CREDITORS SHARE THE RISKS OF LENDING IDENTICALLY. IN PRACTICE, HOWEVER, IT IS DIFFICULT TO INSURE EACH CREDITOR GETS PRECISELY THE SAME TREATMENT. (THE TERMS ALREADY NEGOTIATED WITH ZAIRE BY THE FRG, THE FRENCH AND BELGIUM SHOW, FOR EXAMPLE, DIFFERENT VARIATIONS WHICH ARE ROUGHLY CONSISTENT WITH THE PARIS CLUB ACCORD.) WE WOULD NOT EXPECT CREDITORS TO INVOKE THE MFN PRINCIPLE UNLESS A SUBSEQUENT AGREEMENT WAS CLEARLY INCONSISTENT WITH THAT ALREADY NEGOTIATED WITH OTHER CREDITORS.

3. WE DO NOT CONSIDER FRENCH TERMS OR THE LONDON AGREEMENT FOR PRIVATE CREDITORS AS NECESSITATING ANY CHANGE IN TERMS OF USG-GOZ BILATERAL. WHILE USG WISHES TO RETAIN THE RIGHT TO REVIEW THE APPROPRIATENESS OF OUR TERMS IN THE LIGHT OF ANY FUTURE AGREEMENT THE GOZ REACHES WITH THE UK, JAPAN, AND OTHER UNSIGNED CREDITORS, WE BELIEVE IT VERY UNLIKELY THAT SUCH FUTURE AGREEMENTS WOULD DEVIATE FROM OURS TO THE EXTENT THAT WE WOULD WISH TO INVOKE THE MFN AND REVISE OUR TERMS.

4. IT SHOULD BE NOTED THAT USDA'S CCC LOAN GSM-13334 (LETTER OF CREDIT 1 C 17302) HAS A MATURITY OF ONE YEAR AND THUS IS NOT INCLUDED WITHIN THE CATEGORY OF DEBTS TO BE RESCHEDULED BY THE PARIS CLUB UNDERSTANDING. (THE UNDERSTANDING RELATES TO CREDITS WHICH...PROVIDE "FOR THE SPREADING OF PAYMENTS OVER A PERIOD OF MORE THAN ONE YEAR"). PAYMENTS ON THIS LOAN OF 1,795,355.49 DOLS IN PRINCIPAL AND 159,786.63 DOLS IN INTEREST (A TOTAL OF 1,795,355.49 DOLS) WERE DUE ON DECEMBER 17, 1976 AND HAVE NOT BEEN PAID. LIMITED OFFICIAL USE

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SUGGEST YOU TAKE APPROPRIATE STEPS TO ENCOURAGE GOZ PAYMENT ON THIS DEBT.  
VANCE

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEBT REPAYMENTS, GOVERNMENT DEBTS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE022885  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** B G CROWE  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Expiration:**  
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**Litigation History:**  
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**Message ID:** db7708ce-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 KINSHASA 789  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 10-Feb-2005 12:00:00 am  
**Review Event:**  
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**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3446860  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> jms 970827  
**Subject:** ZAIRE DEBT RESCHEDULING  
**TAGS:** EFIN, EGEN, CG  
**To:** KINSHASA  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/db7708ce-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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US Department of State  
EO Systematic Review  
22 May 2009  
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